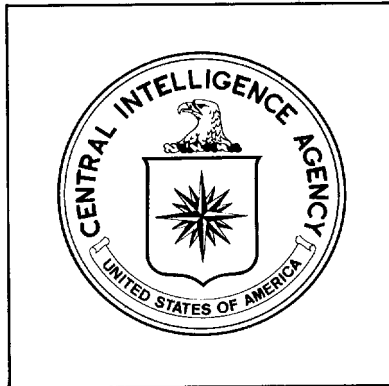


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# STAFF NOTES:

## Soviet Union Eastern Europe

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162

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February 10, 1975

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SOVIET UNION - EASTERN EUROPE



25X1

CONTENTS

February 10, 1975

Brezhnev's Prolonged Absence Damaging  
His Political Future

1

25X1

EC-CEMA Talks . . . . . 6

East Germans Pleased with Waldheim Visit . . . . . 7



25X1

Yugoslavia: Regional Economic Problems . . . . . 10

Polish-Hungarian Talks . . . . . 12



25X1

Soviet Ambassador To Get New Deputy. . . . . 16



25X1

Brezhnev's Prolonged Absence Damaging  
His Political Future

Public uncertainty continues to surround the condition of General Secretary Brezhnev, who has now been absent from his public duties for nearly seven weeks. This is the longest period that he has been out of sight without official explanation during his 10-year tenure.

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February 10, 1975

-1-

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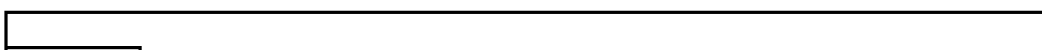
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Political Rumors Abound

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rumors of battles within the Politburo and speculation about who might win in a post-Brezhnev power struggle have grown. Such rumors are inevitable under the circumstances. They have been spurred in this case by the note of finality in Moscow's public denunciation of the 1972 Soviet-US trade agreement, which was closely identified with Brezhnev's name.

There is little evidence to suggest that a power struggle is under way. The stories that one leader or another has challenged Brezhnev's position have involved unlikely participants and issues, and the Kremlin has an air of business as usual. Either his colleagues believe he will soon be back in charge or they are disinclined--perhaps in default of an agreed alternative--to try to exploit the situation.

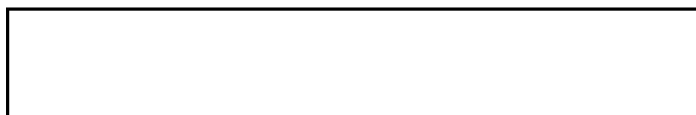
There does appear to be an effort to mislead the curious and to stave off excessive speculation. Soviet media have been at pains to keep Brezhnev's name before the public. Citations of him by *Pravda* during December, for instance, were almost double those in July; the time frame in each case was just after a US-Soviet summit. This trend continues.

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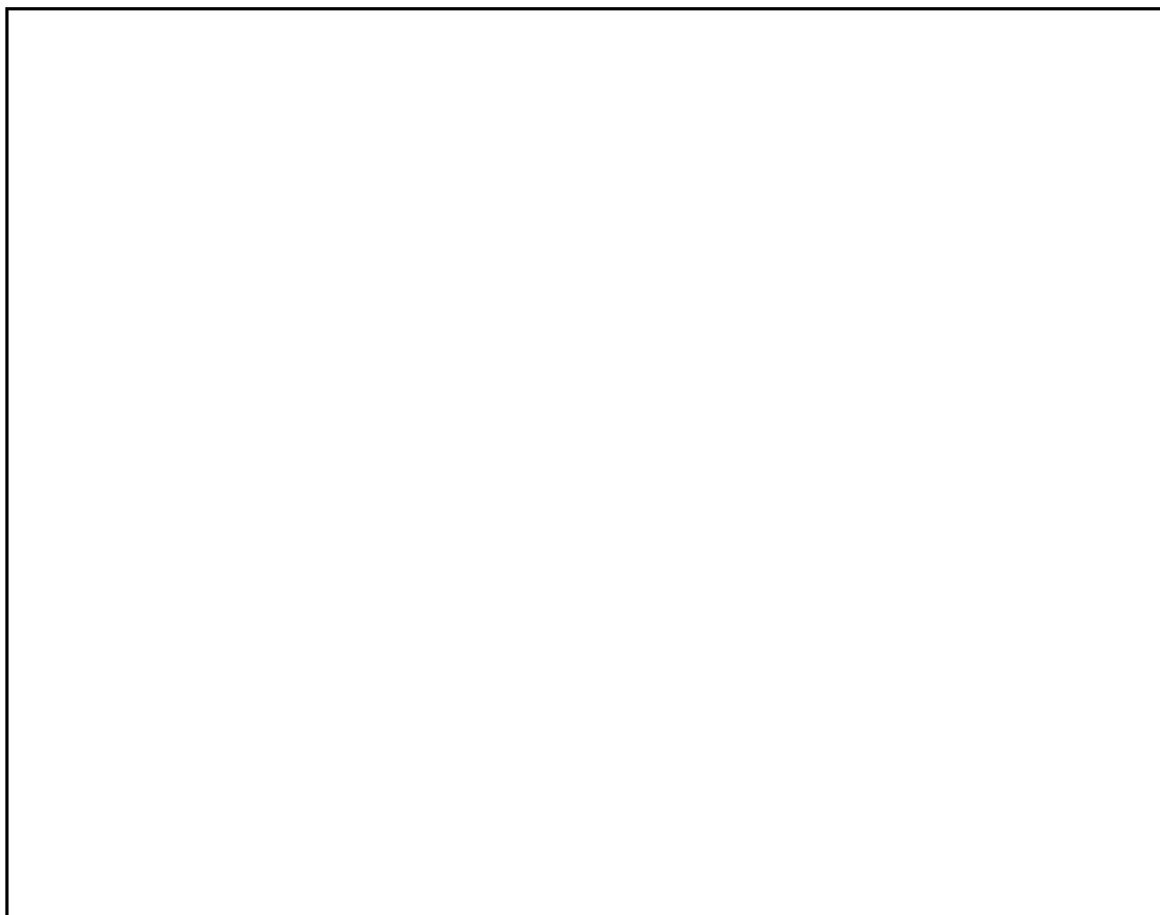


February 10, 1975

-2-



25X1



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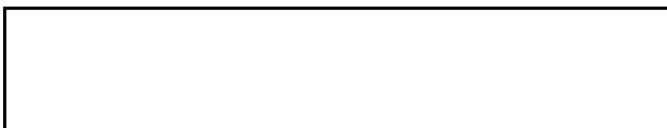
Political Problems Ahead

It is difficult to measure just how much Brezhnev's political stature has suffered as a result. The potential for damage derives principally from the fact that his prolonged absence from public life has followed a period in which some policies with which he is associated met reversals.

Despite efforts to keep Brezhnev's name before the public, there has apparently been some erosion of confidence at lower levels of officialdom--some questioning of the efficacy of current policies, some doubt about Brezhnev's ability to carry on as

February 10, 1975

-3-



25X1

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party chief, and some conjecturing about a leadership without him.

Such conjecture may not easily be dissipated in the months ahead [REDACTED]  
The subject of change at the top is made more topical by the facts that Brezhnev is 68 and that most of the other principal leaders are even older. Moreover, the party congress, due early next year, will provide a focus for considering leadership changes. At a minimum, speculation will continue concerning a realignment to prepare for an eventual succession.

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#### Protection from Coup

The gerontocracy provides one immediate advantage to Brezhnev by giving him considerable protection from a coup attempt. The other senior leaders have been the principal guarantors of the regime's collectivity as well as the basis of support for Brezhnev's authority. They do not appear to be ambitious for his job and probably see their own security as tied to his.

In this situation, there are no obvious challengers to Brezhnev, although his unofficial deputy, Andrey Kirilenko, may be the logical successor in case of need.

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[REDACTED]

The strong position he has built in recent years should give him a better cushion than he has had at other troubled times in his career. Brezhnev's strength, however, rests on his ability to form a consensus and on a fairly steady succession of triumphs in policy. Failure to match this record will begin quickly to detract from his stature, because members of the Soviet political elite have come to expect an activist party leader and a dynamic spokesman on the world stage.

February 10, 1975

- 4 -

25X1

Decisions Needed

When he reappears, Brezhnev will be looking for ways to demonstrate that he can still play these roles. New long-term economic plans must be formulated before the party congress is held next year. Political preparations should begin about six months ahead of the congress, and basic policy decisions must be agreed upon.

Foreign policy issues may offer some additional opportunities to reaffirm his authority. As in the past, however, Brezhnev will have to be sure he has his Politburo colleagues on board before he undertakes new initiatives in foreign or domestic affairs. Failure to do so might lead to reversals.

All the while, other leaders will be maneuvering to advance their interests and secure their positions.


25X1

25X1

February 10, 1975

-5-

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25X1


  
EC-CEMA Talks

The first official meeting between representatives of the European Community and CEMA in Moscow ended last week in disarray.

The West Europeans had hoped to exchange information and identify the sectors where a useful dialogue could be established between the two organizations. They favor cooperation in such areas as standardization and environmental protection and possibly, at a later stage, in statistics and energy policy. Their main goal, however, is to make clear that on specified subjects CEMA members must deal directly with the Commission and not with individual EC members. At the same time, the Commission will recognize only limited areas as belonging within the jurisdiction of CEMA.

The Soviets, on the other hand, had looked on this meeting as a step toward Western recognition of CEMA's equality with the EC. By enhancing the status of CEMA, Moscow would hope to ensure closer economic integration within the East European bloc.

Despite these basically divergent goals and the failure of last week's meeting, CEMA is committed publicly to establishing some kind of relationship with the EC. Further efforts to explore the subject are probable.



25X1

February 10, 1975

-6-



25X1

East Germans Pleased with Waldheim Visit

The East German regime is undoubtedly pleased with UN Secretary General Waldheim's recent visit to East Berlin--the first by an incumbent UN chief. During his short stay the Secretary General had talks with party leader Honecker, President Stoph, Premier Sindermann, and Foreign Minister Fischer.

Waldheim's decision to bypass West Berlin en route from Bonn to East Berlin enhanced East Germany's claim that the city is the country's capital and embroiled him in a controversy with the Christian Democrats in Bonn.

The Secretary General also barged into another sensitive area of inter-German relations, again to the apparent benefit of Pankow. During his talks in Bonn, he told the press that the UN proceeds from the assumption that there are two German citizenships. This statement must have been painful to his hosts in light of their ongoing controversy with Pankow over what constitutes German citizenship [redacted]

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[redacted] The East German party newspaper promptly plastered his remarks on the front page. [redacted]

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February 10, 1975

25X1

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Yugoslavia: Regional Economic Problems

Deep-seated regional economic rivalries flared in late 1974 in reaction to Belgrade's limited austerity program to fight inflation. At the final Federal Assembly session in 1974, various republics--always fearful of a further erosion of their constitutional prerogatives--grumbled about proposed federal limitations on social service spending by the republics. Slovenia, with the highest per capita income, complained so vociferously that it was all but exempted from the spending ceiling.

After several months of bitter exchanges, Belgrade at the turn of the year succeeded in restoring an atmosphere of business as usual. The situation, however, is fragile. The economic program for 1975 calls for belt tightening which could easily re-ignite disputes between federal and regional authorities.

Sharp policy differences and squabbling among republics have been a stumbling block for Yugoslav policy makers in the past. The conflicts reflect the desire of the developed northern areas for greater autonomy, while the less developed southern areas advocate integration and central control.

For a decade, federal development policy in the south has been a source of conflict. Resentment in the north in 1965 over the use of general tax funds for development in the south, for example, led to a constitutional revision that eventually placed most investment decisions in the hands of the republic banks and enterprises. The nationalist crisis in Croatia in 1971 was brought to a head by hostility over government efforts to use Croatian hard currency earnings to finance imports for the south.

February 10, 1975

The economic gap between the republics has not diminished despite Belgrade's efforts over the past two decades to reduce income disparities. Per capita national income in the north is twice that in the south; Slovenia has a per capita income six times that of the poorest republic, Kosovo. Capital investment in the economies of the republics has been roughly in proportion to their share of the total population. A larger proportion of the income going to the poorer republics is thus used for capital investment, rather than for consumption.

While shifting its sights to inflation--now running at an annual rate of 25 percent--as its main target in 1975, Belgrade will not reduce its commitment to the development of the south. Such a move could be political dynamite. A little less than 2 percent of this year's national income is earmarked for aid to the less developed regions, about the same as in recent years.

In the past--the Croatian crisis, for example--only the force of Tito's personality has been able to prevent serious friction between the republics. If Tito were to leave center stage, we doubt that the regime could effectively enforce its austerity program. The situation would become even more unstable if Yugoslavia were faced with a recession. Already, unemployment has been creeping up, and the demand for Yugoslav workers in Western Europe has ebbed as the industrial output there has declined.

25X1

February 10, 1975

-11-

25X1

Polish-Hungarian Talks

Talks during Polish Foreign Minister Olszowski's recent three-day visit to Budapest apparently focused on European security.

In a joint communique issued on February 8, the two sides soberly agreed that there is a "realistic possibility" that the second phase of the European security talks will end "in a short time" and that the third phase will be held at "the highest level." Olszowski, in a press conference, was even more optimistic saying that "realistic conditions exist" to conclude the conference at the highest level about mid-year. Olszowski claimed that his views on European security were the same as those of the Hungarians.

The final communique supported detente as the "main trend of international life," calling for further efforts to make it "lasting and irreversible" and singling out Brezhnev for his "personal contribution."

The Poles and Hungarians also reviewed the situation in Vietnam, where they constitute the Communist side of the International Commission of Control and Supervision. The communique broke no new ground, calling for an end to "foreign interference" and "strict observance" of the Paris agreement. Saigon, but not Hanoi, was enjoined "to fulfill its obligations"; there was no mention of the US. The two sides agreed to work for peace in Vietnam, "above all" through the ICCS.

25X1

February 10, 1975

25X1

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Soviet Ambassador To Get New Deputy

Vladilen Vasev, assigned to the Soviet embassy in Washington as the new minister counselor, is scheduled to arrive in the United States in about six weeks.

Vasev, 50, is a specialist in British affairs and has been a deputy chief of the Soviet Foreign Ministry's Second European Department (United Kingdom, Australia, Canada and New Zealand) since 1968. He entered the diplomatic service in 1951 and has previously served two tours at the Soviet embassy in London (1957-59 and 1963-68), where he rose to the rank of minister counselor and occasionally served as charge d'affaires.

Vasev's appointment was rumored more than a year ago. He may replace Deputy Chief of Mission Yuliy Vorontsov, who has served in that position since 1966, or he may fill the slot vacated by Anatoliy Gromyko last November. The post of minister counselor at the Soviet embassy has normally been held by one man. In an unusual arrangement in September 1973, Gromyko, the son of the foreign minister, was assigned to Washington as a second minister counselor. Gromyko remained the junior of the two, however, and his tour was cut short when he returned to Moscow in November 1974.

25X1

February 10, 1975

-16-

25X1

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